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panies should be incorporated under federal laws for the purpose of acquiring all the stock (it would not be necessary to acquire the bonds) of the railways located within their particular region. The stock issues of each regional holding company, whether for the purpose of acquiring the railways within its district or of financing future requirements, must be approved by the Interstate Commerce Commission. On the stock thus approved the government should guarantee a return sufficiently high to make the stock marketable at par. In order that the company might have an incentive to efficient management, an arrangement should be made for the division among the company and the government of all profits above the guaranteed return. Two thirds of the directors of each regional holding company should be chosen by the stockholders (to prevent political considerations overriding economic considerations), and one third by the government. By this plan, the author urges, the difficulties inherent in the presence of "strong" and "weak" roads side by side would be removed; the wastes of competition would be eliminated; and a proper balance between centralization and decentralization of management would be attained.

This book should prove of distinct interest to all students of railway problems. Though the author is clearly one-sided in his discussion of government ownership, he has given us a sincere and able argument in favor of the adoption of a liberal policy of railroad regulation. Moreover, his regional holding company plan, which was doubtless suggested by the federal reserve banking system, merits careful consideration, and particularly so in case a decision is made to return to private ownership of the railways.

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The Canadian Railway Problem. BY E. B. BIGGAR. (Toronto: The Macmillan Company of Canada. 1917. Pp. vii, 258. \$1.50.)

Mr. Biggar, who has had much experience in the field of journalism, has produced a thought-provoking work in this book, although there will be many, undoubtedly, who will not agree with his general conclusions. The work in general is a philippic delivered with vigour, if not terseness, against the private ownership of railways, and especially against private ownership of railways in Canada.

The book, in the reviewer's opinion, suffers from lack of correct arrangement of its contents, both in the chapters dealing with theory and in those given over to the discussion of historical and practical problems. A better arrangement would have been to have made the historical survey of Canadian conditions first; then of actual conditions elsewhere on this continent, in Europe, and in Asia; and finally to have made his main analysis of the data gathered and the deduction of general principles. However, Mr. Biggar plunges in *medias res* with a sharp attack upon the railroad as a "revolutionist and tax collector."

The main thesis underlying his entire treatment of the subject is that the railroads have usurped certain natural functions and rights which belong to the community at large, and which cannot be surrendered without vital injury to the state. In this respect the railroad is a revolutionist, trampling upon the inalienable rights and freedom of the individual and the nation. It is Mr. Biggar's contention that the ills resulting therefrom are so serious and far-reaching in their nature and scope, that the health of the body politic cannot be restored until the people assume complete ownership and control of the railroads. His argument that railway rates are, *de facto* if not *de jure*, taxes, is well known; as is also the parallel which he draws between what he considers the practically identical functions of the postal system and the railways. Developing these arguments he makes out a strong case in behalf of public ownership of all the highways of a nation—whether turnpike, canal and river, or railroads.

The most valuable part of Mr. Biggar's work is found in his historical treatment of the development of the Canadian railway system, and the public policy pursued in the past of granting lavish aid to private railway corporations, in the form of both cash and subsidies. The author has a particularly valuable chapter on the Hudson's Bay Company and the practically sovereign powers conferred upon it with respect to the ownership and control of its territories in western Canada. True, large areas were withdrawn from the jurisdiction of this company with the expansion of Canada westward, but even today the land controlled and owned by this organization makes it not only wealthy but powerful. There are few who will disagree with Mr. Biggar in his contention that the alienating of the public domain to promote private enterprise is much less to be preferred, if government help is to be given at all for such undertakings, than the granting of cash subsidies.

Nor will many, conversant with the situation, cavil at the author's strictures upon the corruption and extravagance that accompanied the construction of the great transcontinental railways of Canada. It is generally recognized, however, that the "corruption" argument has little weight either for or against any particular form of railway ownership in Canada, as unfortunately neither private nor public ownership of the nation's railways has eliminated extravagance, corruption and waste. It is also evident that Mr. Biggar is quite correct in his contention that the building of parallel lines of railways in the Dominion has not, through competition, lowered rates, but that on the contrary rates are maintained at a high level because of the necessity of providing a return on the huge investments involved.

The author makes a valuable analysis of the conditions affecting the operation of Canada's great publicly owned railroad, the Intercolonial. In reply to the charge that this railroad has not paid, he shows that it has, in the last year or two, produced a surplus of from \$2,000,000 to \$3,000,000; and that the explanation lies in the fact that the management of the road has been taken out of party politics, and that the railroad is at last run as a railroad should be. Mr. Biggar finds in party patronage the blight that has hitherto vitiated public enterprise, whether railroad or other; and asserts that, when other countries have taken over private railways, they have found it unwise to allow each member of Parliament to set himself up as a railway director and to subordinate national service to the interests of his own constituency. In his opinion it is unfair to demand that the Intercolonial show a yearly surplus in proportion to that of the Canadian Pacific, in view of the princely aid given to the latter by the nation, and hence its smaller cost of construction per mile.

It is unnecessary to follow Mr. Biggar, in detail, into his analysis of the present railroad situation in Canada and elsewhere, as affected by the war. Quite obviously the various governments have been obliged owing to the exigencies of war to assume more or less direct control of the railroads; but it would be unwise to draw the deduction that the most progressive nations are swinging towards state ownership and socialism. And, finally, although Mr. Biggar in his prefatory remarks disclaims any hostility to the capitalists associated with Canadian railroads, and Canadian railroad builders, it is fair to say that his book is far from being judicial in tone and temper. Nevertheless, in this work we have an interesting and

worth while, although decidedly partisan, contribution to the literature available on Canadian railroad economics.

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NEW BOOKS

DAISH, J. B. *The Atlantic port differentials*. (Washington: Lowdermilk. 1918. Pp. xix, 524.)

HAWBAKER, C. C. and LAW, J. W. *Parcel post business methods*. Farmers' bull. no. 922. (Washington: Dept. Agri. 1918. Pp. 20.)

PICARD, A. *Les chemins de fer*. (Paris: Dunod & Pinat. 1918. Pp. xiv, 856. 25 fr.)

The function and utility of free ports. (New York: The Merchants' Association of New York. April, 1918. Pp. 29.)

This is a short collection of arguments in favor of the establishment of a free port at New York, reprinted from earlier sources. The brief submitted to the United States Tariff Commission is included together with extracts from the hearings; also an answer by Mr. Henry R. Towne to the published arguments of Mr. Irving T. Bush against the free port project. It is claimed that the installation of a free port in New York Harbor would develop a great collection and distribution center, especially for raw materials, and create a great international market, a center for more shipping lines, and a transshipment point of first magnitude. It is asserted further that this would promote the commercial supremacy of the United States in all parts of the world, promote the importance and efficiency of the port of New York, and directly benefit many industries using imported raw materials.

H. R. T.

Report of committee appointed to advise as to measures requisite for the maintenance of the British mercantile marine. (London: Chamber of Shipping of the United Kingdom and Liverpool Steam Ship Owners' Association. 1917. Pp. 74.)

The traffic library. Vol. 13, *Law of common carriers, abridged*. (Chicago: Am. Commerce Assoc. 1918. Pp. 260.)

Trade, Commerce, and Commercial Crises

NEW BOOKS

DRUCKER, A. P. R. *Retail delivery at the bar. A suggested solution of an acute mercantile problem*. (Eugene: Univ. of Oregon. 1918. Pp. 8.)

HUBERICH, C. H. *The law relating to trading with the enemy, together with a consideration of the civil rights and disabilities of alien enemies and of the effect of war on the contracts with alien enemies*. (New York: Baker, Voorhis & Co. 1918. Pp. 485. \$5.)